

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 ARAE-00 CIAE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 SAM-01

ACDA-07 IO-13 AID-05 PC-01 TRSE-00 EB-07 COME-00

SIL-01 LAB-04 SCCT-01 /097 W
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P 211455Z JUL 76

FM AMEMBASSY LIMA

TO SECSTATE WASHDC PRIORITY 1071

INFO DIA WASHDC

USCINCSO

C O N F I D E N T I A L SECTION 1 OF 2 LIMA 6628

EO 11652: GDS

TAGS: PINT, PE, ELAB

SUBJ: GOP AND ARMY SHAKEUP CONTINUES -- LEFTISTS PURGED

SUMMARY. THERE HAVE BEEN MAJOR CHANGES IN BOTH THE GOP AND THE ARMY FOLLOWING JULY 16 CABINET SHAKEUP. LEFTIST INFLUENCE IS DIMINISHED. PRIME MINISTER BARBULU, SEEMS TO DEMONSTRATE STRONG ORGANIZATIONAL CONTROL IN THE ARMY WHICH SHOULD ENHANCE HIS POLITICAL POSITION. THE GOP IS APPREHENSIVE ABOUT POTENTIAL LABOR UNREST JULY 22 AND BEYOND, BUT IS IS PREPARED TO TAKE FIRM ACTION TO REPRESS DISTURBANCES. CIVILIAN PARTICIPATION IN THE GOP IS STILL IN DOUBT. END SUMMARY.

1. FOLLOWING JULY 16 FORCED RESIGNATION OF PRIME MINISTER FERNANDEZ MALDONADO, ARMY CHIEF OF STAFF LA VERA, FONMIN DE LA FLOR, AGRICULTURE MINISTER GALLEGOS AND HOUSING MINISTER PAREDES, THE ARMY LEADERSHIP NOW HEADED BY WAR MINISTER ARBULU IS MOVING TO CONSOLIDATE ITS POWER. ACCORDING TO GOP SOURCE IN THE OFFICE OF PRIME MINISTER ARBULU, LEFTIST IDEOLOGUE GENERAL ARTURO VALDES PALACIO, WHO WAS KEY ADVISOR TO FERNANDEZ MALDONADO, HAS RETIRED. FORMER FONMIN DE LA FLOR, WHO IS STILL AN ACTIVE DUTY GENERAL, WILL ALLEGEDLY BE OFFERED A POSITION IN
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WASHINGTON AT THE INTER-AMERICAN DEFENSE BOARD WHILE FORMER

AGRICULTURE MINISTER GALLEGOS, WHO IS OUT-RANKED ONLY BY GENERALS ARBULU, MOLINA PALLOCHIA AND PRESIDENT MORALES BERMUDEZ, WILL PURPORTEDLY BE ASKED TO ACCEPT THE MILITARY ATTACHE SPOT IN PARIS. ADM. PAREDES REMAINS ON ACTIVE DUTY BUT WITHOUT ASSIGNMENT.

2. WITH THE RETIREMENT OF VALDEZ AND THE VIRTUAL ELIMINATION OF DE LA FLOR AND GALLEGOS, THE ARMY HAS NEUTRALIZED THE MOST INFLUENTIAL LEFTISTS OF THE FERNANDEZ MALDONADO GROUP. SOURCE SAID THAT EDUCATION MINISTER MIRANDA AMPUERO AND FOOD MINISTER HOYOS RUBIO, ALSO ASSOCIATED WITH FERNANDEZ MALDONADO, MIGHT BE ALLOWED TO CONTINUE SINCE THEY NOW REPRESENT NO POLITICAL THREAT TO GOP LEADERSHIP. HOWEVER, POLITICAL REPERCUSSIONS FROM THE REMOVAL OF PRIME MINISTER FERNANDEZ MALDONADO HAVE EXTENDED TO THE HIGHLY CONTROVERSIAL SOCIAL PROPERTY COMMISSION (CONAPS). ACCORDING TO JULY 20 PRESS, CONAPS CHIEF ANGEL DE LAS CASAS HAS RESIGNED FOR REASONS CONNECTED WITH THE RETIREMENTS OF FERNANDEZ MALDONADO AND VALDES PALACIO. THE GOP-CONTROLLED DAILY EXPRESO TERMED DE LAS CASAS A "LEFTIST".

3. ARMY CHANGES TO DATE INCLUDE THE REPLACEMENT OF GENERAL AUGUSTO RIOS GAMARRA AS FIRST REGION COMMANDER (HE HAD BEEN NAMED BY FERNANDEZ MALDONADO FOLLOWING THE BOBBIO INCIDENT AND WAS COMMANDER LESS THAN ONE WEEK) WITH GENERAL GONZALO BRICENO (BRICENO HAD BEEN SENT TO ISOLATED QUITOS FIFTH MILITARY REGION BY FERNANDEZ MALDONADO). CONSERVATIVE AND OPENLY "PRO-U.S." GENERAL JUSTO ARIAS ARAGUEZ HAS BEEN NAMED TO REPLACE BRICENO IN THE FIFTH MILITARY REGION. GENERAL PEDRO RICHTER PRADA (WHO, ACCORDING TO GOP SOURCE, REFUSED TO ACCEPT FERNANDEZ MALDONADO'S ATTEMPT TO PLACE HIM IN LOWER-RANKING CIMP POST AFTER THE BOBBIO INCIDENT) HAS BEEN DESIGNATED ARMY CHIEF OF STAFF. GENERAL PORTELLA CERRUTTI REPLACES RICHTER AS INSPECTOR GENERAL BUT ALSO RETAINS HIS POSITION AS COMMANDER OF THE SECOND MILITARY REGION (LIMA). THE CHIEF OF THE PRESIDENTIAL ADVISORY COMMITTEE (COAP), GENERAL OSCAR MOLINA PALLOCHIA (WHO IS OUT-RANKED ONLY BY GENERAL ARBULU AND PRESIDENT MORALES BERMUDEZ), HAS MOVED FROM COAP TO BECOME CHIEF OF THE JOINT COMMAND, GENERAL CARLOS QUEVEDO FARFAN BECOMES THE NEW COAP CHIEF.

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4. RESULT OF WEEKEND CHANGES SHOULD MEAN INCREASED POWER FOR PRESIDENT MORALES BERMUDEZ. THE TWO CIVILIAN MINISTRIES OF FOREIGN RELATIONS AND FINANCE ARE SAID BY SOME TO DEPEND UPON HIS MILITARY RANK-BASED AUTHORITY AND IN A CERTAIN SENSE HE HAS PERSONALLY ASSUMED THOSE PORTFOLIOS. HOWEVER, WE CANNOT BE SURE THAT MORALES BERMUDEZ WILL EXERCISE MORE FORCEFUL LEADERSHIP NOW THAN HE DID WHEN ADVISED BY FERNANDEZ MALDONADO.

5. THE VERSION OF FERNANDEZ MALDONADO'S REMOVAL RELATED TO EMBOFF BY A POLITICAL ADVISER IN THE PRIME MINISTER'S OFFICE LEADS TO THE CONCLUSION THAT PRIME MINISTER ARBULU AND THE REGIONAL COMMANDERS ARE UNITED AND THEIR SOLID CONTROL OF THE ARMY WILL TRANSLATE INTO SIGNIFICANT INFLUENCE OVER THE PRESIDENT. ACCORDING TO THIS SOURCE, THE REGIONAL COMMANDERS, BACKED BY ARBULU AND LED BY GENERAL JUAN SANCHEZ OF THE AREQUIPA REGION, CONFRONTED MORALES BERMUDEZ THE NIGHT OF JULY 15 AND GAVE HIM AN ULTIMATUM -- EITHER REMOVE FERNANDEZ MALDONADO OR BE REMOVED YOURSELF. IF THIS VERSION CORRECT, MORALES BERMUDEZ TOOK THE FORMER COURSE AND ANNOUNCED AT THE JULY 16 MEETING OF ARMY GENERALS THAT FERNANDEZ MALDONADO HAD ASKED TO RETIRE. SAME SOURCE TOLD EMBOFF THAT, WHILE FERNANDEZ MALDONADO'S PERSONAL SUPPORT IN THE ARMY WAS ALWAYS THIN (HE DEPENDED ON THE GENERALS LEAVING POLITICS TO HIM) ARBULU IS THE FIRST PERUVIAN PRIME MINISTER WITH A WIDE NETWORK OF PERSONAL SUPPORT THROUGHOUT TOP ARMY RANKS. THIS SUPPORT ALLEGEDLY RELATES TO MEMBERSHIP OF ARBULU AND OTHER INFLUENTIAL OFFICERS IN A "LOGIA" (LITERALLY A LODGE, OR SECRET GROUP). SOURCE CLAIMED THAT ARBULU WOULD RAPIDLY CONSOLIDATE HIS POWER IN THE REGIONAL COMMANDS AND THROUGH ARMY LEADERSHIP AND MIGHT WELL FORCE MORALES BERMUDEZ OUT WITHIN A YEAR (SOURCE OF FOREGOING COMMENT HAD WORKED CLOSELY WITH FERNANDEZ MALDONADO AND THAT RELATIONSHIP COULD IMPACT ON HIS POLITICAL REDICTIONS). ACCORDING TO SOURCE, ARBULU IS BOTH MORE CONSERVATIVE AND MORE AMBITIOUS THAN MORALES BERMUDEZ.

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INFO OCT-01 ISO-00 ARAE-00 SAM-01 CIAE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 ACDA-07 IO-13 AID-05 PC-01 TRSE-00 EB-07

COME-00 SIL-01 LAB-04 SCCT-01 /097 W

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6. TRADITIONAL CIVILIAN POLITICAL GROUPS REMAIN ELATED OVER THE REMOVAL OF FERNANDEZ MALDONADO. SOME ANTICIPATE A NEAR-TERM "OPENING TOWARD DEMOCRACY" AND A RE-OPENING SOON OF THE POLITICAL JOURNALS. APRA ALREADY CLAIMS TO HAVE APPROACHED GOP WITH A PROPOSAL FOR A PRESIDENTIAL ADVISORY COUNCIL COMPOSED OF EX-PRESIDENTS AND POLITICAL PARTY LEADERS. MORALES BEMUDEZ ALLEGEDLY REJECTED THAT SUGGESTION BUT APRA HOPES TO CONVINCE ARBULU TO ESTABLISH SUCH A GROUP OF ADVISE THE PRIME MINISTER.

7. POLITICAL PARTIES MAY BE DISAPPOINTED IN THEIR HOPES FOR AN EARLY RETURN TO DEMOCRACY. LARGELY BECAUSE OF PERU' ECONOMIC CRISIS, MILITARY PRESTIGE AMONG THE POPULACE IS EXTREMELY LOW AND THE MILGOV IS LIKELY TO MAKE EVERY EFFORT TO RETAIN POWER AT THE VERY LEAST UNTIL THE CRISIS PASSES, AND PROBABLY FOR EXTENDED PERIOD OF RULE. ALSO ANTI-APRA SENTIMENT AMONG BOTH SENIOR AND JUNIOR OFFICERS REMAINS AND ARBULU HIMSELF IS SAID TO BE NO FRIEND OF APRA. THE NECESSITY FOR CIVILIAN COOPERATION AND THE CURRENT ANTI-COMMUNIST APPROACH OF THE GOP MAY, HOWEVER, LEAD TO GOP/APRA COOPERATION IN LIMITED AREAS. WE KNOW THAT MORALES BERMUDEZ IS SO DISPOSED.

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8. SOME POLITICAL JOURNALS ARE EXPECTED TO RE-OPEN AFTER THE MEMORY OF RECENT EVENTS FADES SOMEWHAT, BUT THE GOP IS NOT LIKELY TO WELCOME A FREE-WHEELING PRESS. LEFTIST POLITICAL JOURNALS MAY BE SUBJECTED TO THE STRICTEST CONTROLS.

9. THE GOP CONTINUES TO BE APPREHENSIVE ABOUT POSSIBLE LABOR UNREST. THE COMMUNIST CGTP UNION LED BY BANK WORKERS MAY ATTEMPT A STRIKE JULY 22 IN PROTEST AGAINST THE ARREST OF COMMUNIST PARTY LEADER AND FORMER CGTP SEC GEN GUSTAVO ESPINOS. SOME FAR-LEFT UNIONS MIGHT ALSO ATTEMPT DISRUPTION JULY 22, BUT THEIR EFFORTS WILL BE HAMPERED BY THE STATE OF EMERGENCY AND GOP DECLARATION THAT ALL STRIKES ILLEGAL. THE GOP APPEARS PREPARED TO CRACK DOWN AS HARD AS NECESSARY IN ORDER TO PREVENT STRIKES AND AGITATION. IN THIS REGARD, THE EMBASSY HAS HEARD THAT FORMER VELASCO PRESS SECRETARY AUGUSTO ZIMMERMANN AND FORMER LA CRONICA DIRECTOR GUILLERMO THORNDIKE (BOTH LEFTISTS) HAVE BEEN ARRESTED.

10. IN SPITE OF RECENT CHANGES, THE GOP MAINTAINS THAT THE REVOLUTION PROCEEDS ON COURSE. FONMIN DE LA PUENTE, IN HIS FIRST PRESS CONFERENCE AFTER TAKING OFFICE (SEPTEL), REMARKABLE FOR ITS CONTRAST TO VIEWS EXPRESSED BY DE LA FLOR, EMPHASIZED

CONTINUITY IN GOP FOREIGN POLICY. AND PRESIDENT MORALES
BERMUDEZ IS STILL EXPECTED TO ADDRESS THE NATION JULY 28 WITH
PROBABLE ANNOUNCEMENT OF THE POLITICAL ACTION PLAN "TUPAC
AMARU". ALTHOUGH THE PLAN MAY BE MORE MODERATE THAN ORIGINAL
VERSION, IT TOO WILL BE AIMED TO DEMONSTRATE REVOLUTIONARY
CONTINUITY.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT REFORM, PERSONNEL MOVEMENTS, POLITICAL SITUATION
Control Number: n/a
Copy: SINGLE
Draft Date: 21 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LIMA06628
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760280-0938
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760737/aaaabgmn.tel
Line Count: 230
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 31 OCT 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31 OCT 2003 by GarlanWA>; APPROVED <13 SEP 2004 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOP AND ARMY SHAKEUP CONTINUES -- LEFTISTS PURGED SUMMARY. THERE HAVE BEEN MAJOR CHANGES IN BOTH THE GOP AND THE
TAGS: PINT, ELAB, PGOV, PE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006